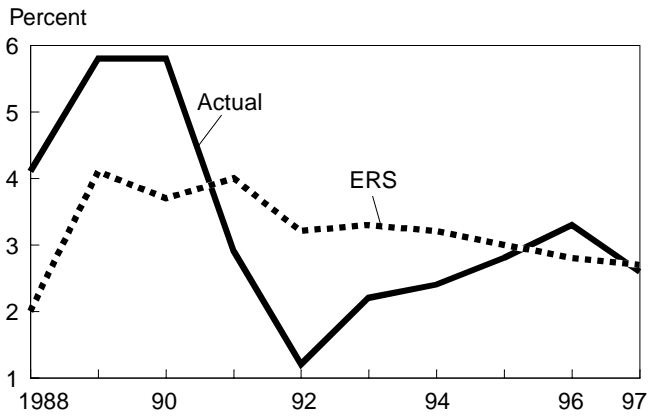
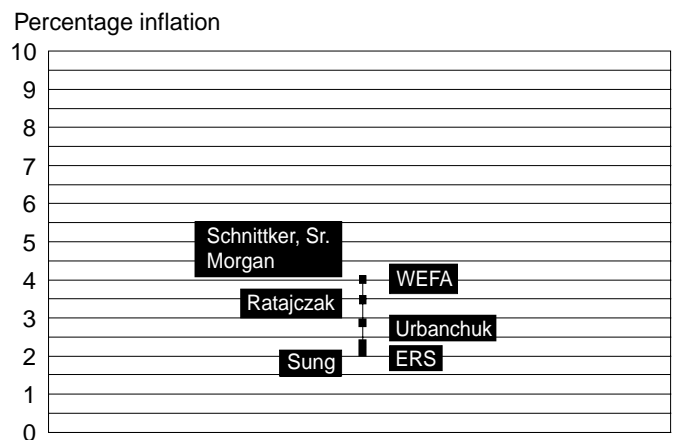


Figure 1
Annual Forecasts by ERS
All food CPI percentage change



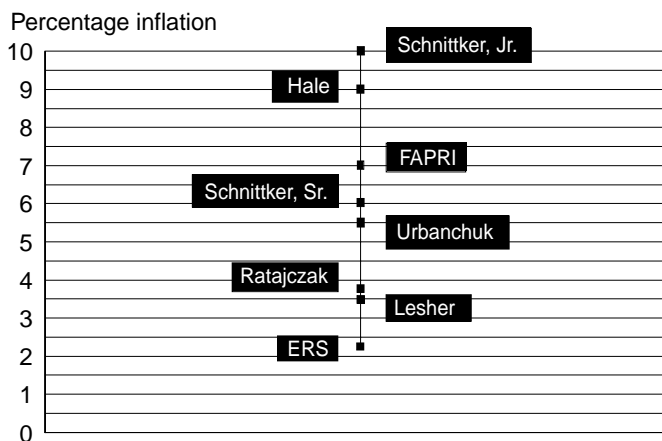
Source: USDA/ERS.

Figure 2
Forecast spread
Food price forecast for 1996



Source: USDA/ERS.

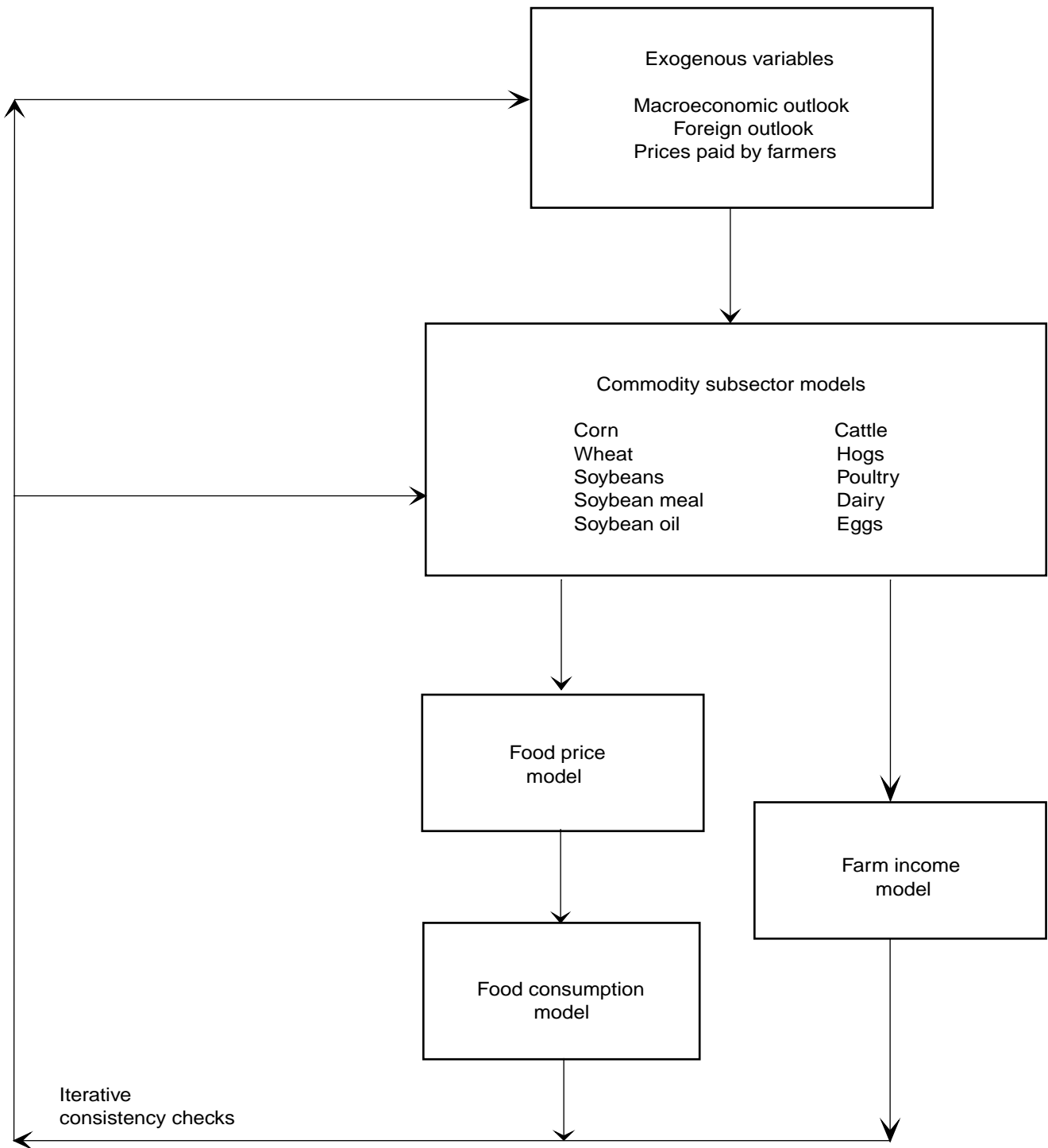
Figure 3
Forecast spread
Food price forecast for 1997



Source: USDA/ERS.

Figure 4

The quarterly agricultural forecasting model

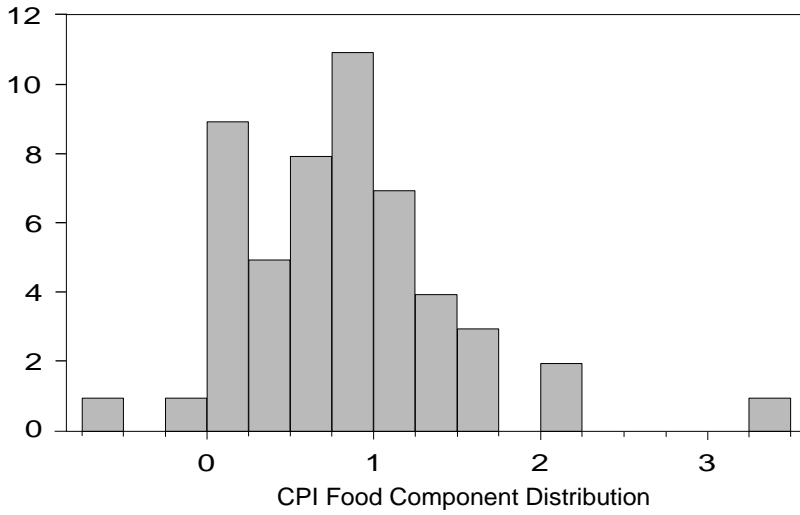


Source: P. C. Westcott, (1986).

Histograms for Food CPI Components

Figure 5a

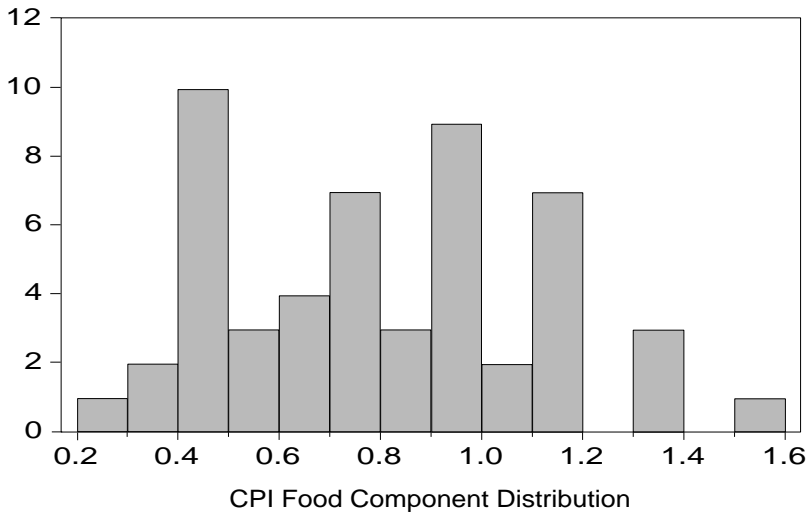
All Food



| | |
|------------------------|-----------|
| Series: ALLFOOD | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 0.817712 |
| Median | 0.785000 |
| Maximum | 3.310000 |
| Minimum | -0.511000 |
| Std. Dev. | 0.648377 |
| Skewness | 1.122397 |
| Kurtosis | 5.894831 |
| Jarque-Bera | 29.07481 |
| Probability | 0.000000 |

Figure 5b

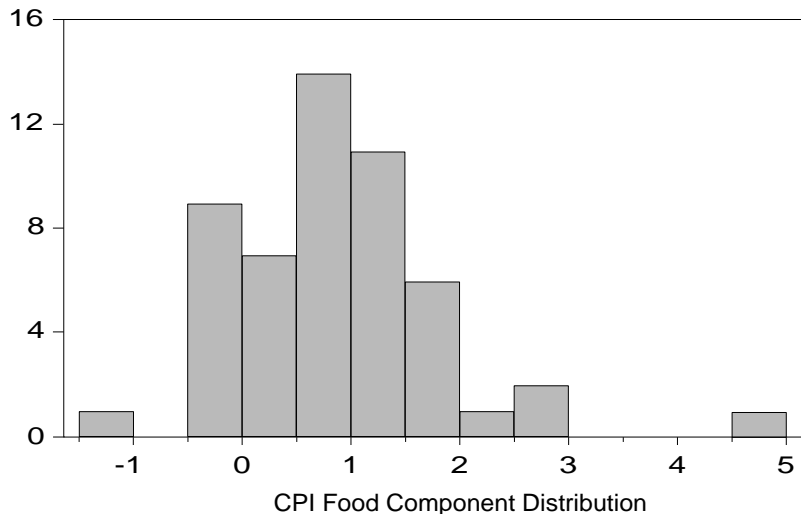
Food Away From Home



| | |
|-------------------------|----------|
| Series: FOODAWAY | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 0.804077 |
| Median | 0.786500 |
| Maximum | 1.527000 |
| Minimum | 0.277000 |
| Std. Dev. | 0.310028 |
| Skewness | 0.288042 |
| Kurtosis | 2.206911 |
| Jarque-Bera | 2.081873 |
| Probability | 0.353124 |

Figure 5c

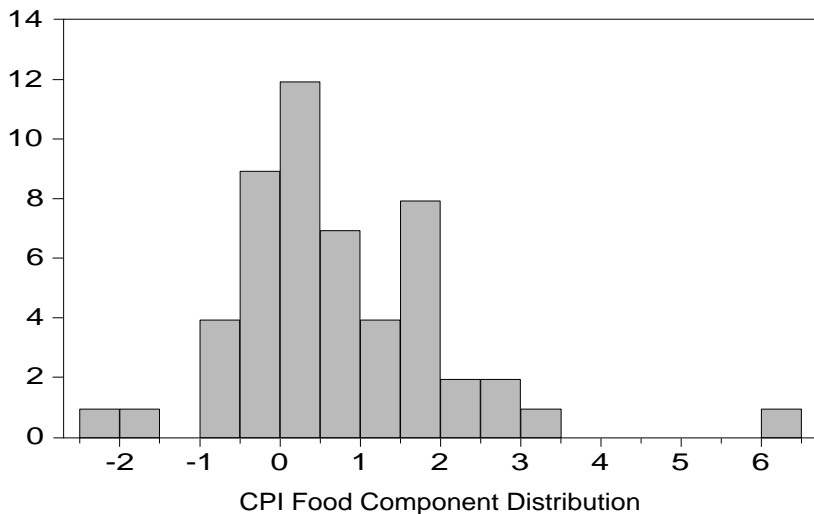
Food At Home



| | |
|----------------------|-----------|
| Series: FOODHOME | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 0.834500 |
| Median | 0.772000 |
| Maximum | 4.607000 |
| Minimum | -1.313000 |
| Std. Dev. | 0.972866 |
| Skewness | 1.023017 |
| Kurtosis | 5.946235 |
| Jarque-Bera | 27.87753 |
| Probability | 0.000001 |

Figure 5d

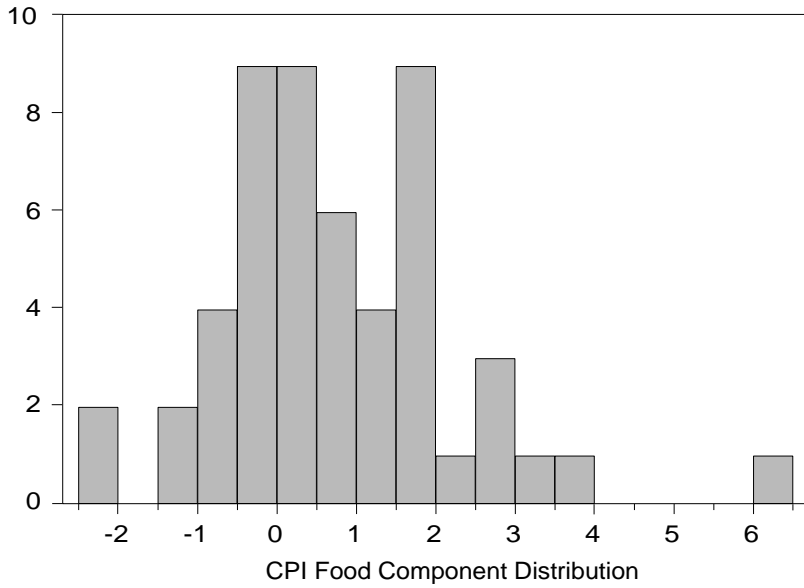
Meat, Poultry & Fish



| | |
|----------------------|-----------|
| Series: MPF | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 0.755308 |
| Median | 0.451500 |
| Maximum | 6.377000 |
| Minimum | -2.040000 |
| Std. Dev. | 1.368059 |
| Skewness | 1.322907 |
| Kurtosis | 6.975564 |
| Jarque-Bera | 49.41180 |
| Probability | 0.000000 |

Figure 5e

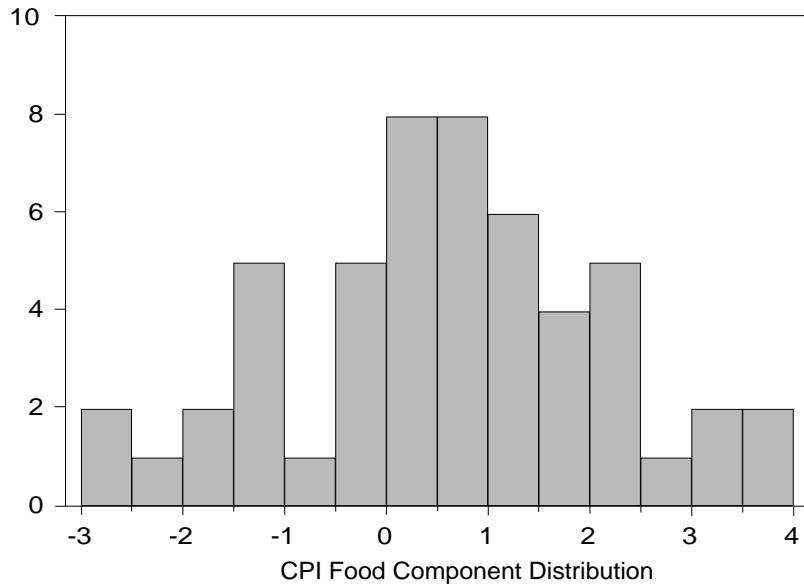
Meats



| | |
|----------------------|-----------|
| Series: MEATS | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 0.713212 |
| Median | 0.409000 |
| Maximum | 6.010000 |
| Minimum | -2.257000 |
| Std. Dev. | 1.474338 |
| Skewness | 0.911154 |
| Kurtosis | 4.879733 |
| Jarque-Bera | 14.85077 |
| Probability | 0.000596 |

Figure 5f

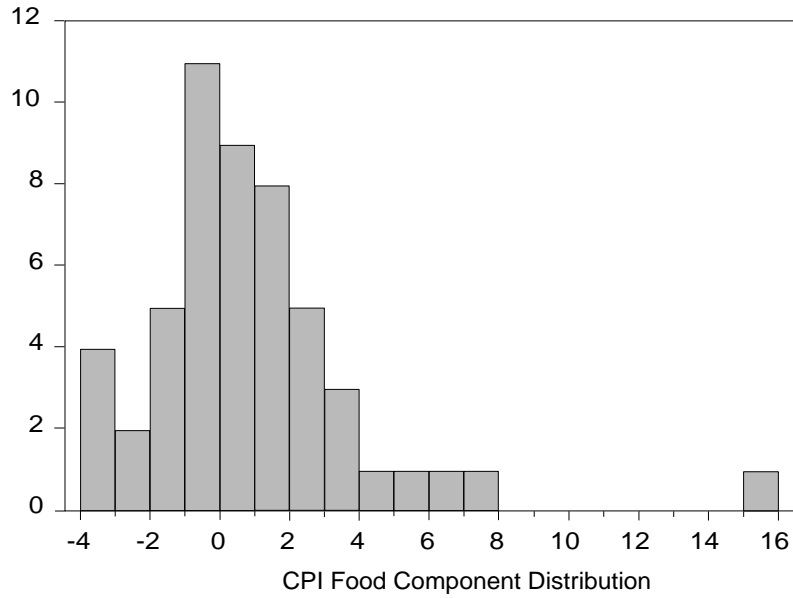
Beef & Veal



| | |
|----------------------|-----------|
| Series: BEEFVEAL | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 0.586212 |
| Median | 0.567500 |
| Maximum | 3.881000 |
| Minimum | -2.856000 |
| Std. Dev. | 1.548838 |
| Skewness | -0.144344 |
| Kurtosis | 2.697004 |
| Jarque-Bera | 0.379486 |
| Probability | 0.827172 |

Figure 5g

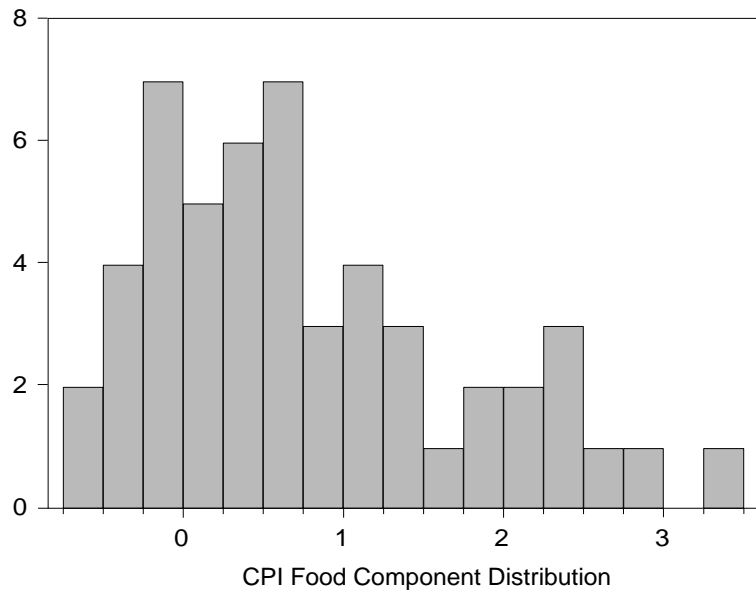
Pork



| | |
|----------------------|-----------|
| Series: PORK | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 0.933173 |
| Median | 0.253500 |
| Maximum | 15.02200 |
| Minimum | -3.834000 |
| Std. Dev. | 3.187910 |
| Skewness | 1.836979 |
| Kurtosis | 8.885498 |
| Jarque-Bera | 104.2969 |
| Probability | 0.000000 |

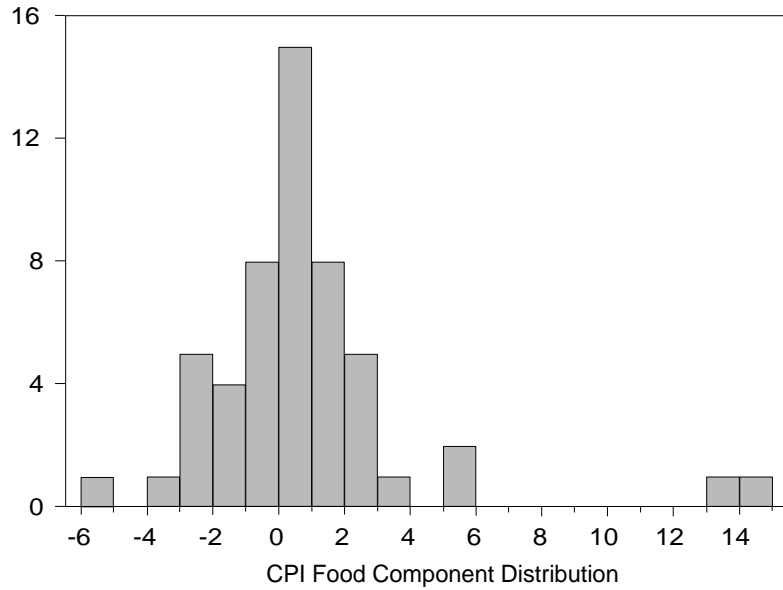
Figure 5h

Other Meats



| | |
|----------------------|-----------|
| Series: OTHMEATS | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 0.771365 |
| Median | 0.546000 |
| Maximum | 3.380000 |
| Minimum | -0.558000 |
| Std. Dev. | 0.965431 |
| Skewness | 0.776366 |
| Kurtosis | 2.792073 |
| Jarque-Bera | 5.317449 |
| Probability | 0.070038 |

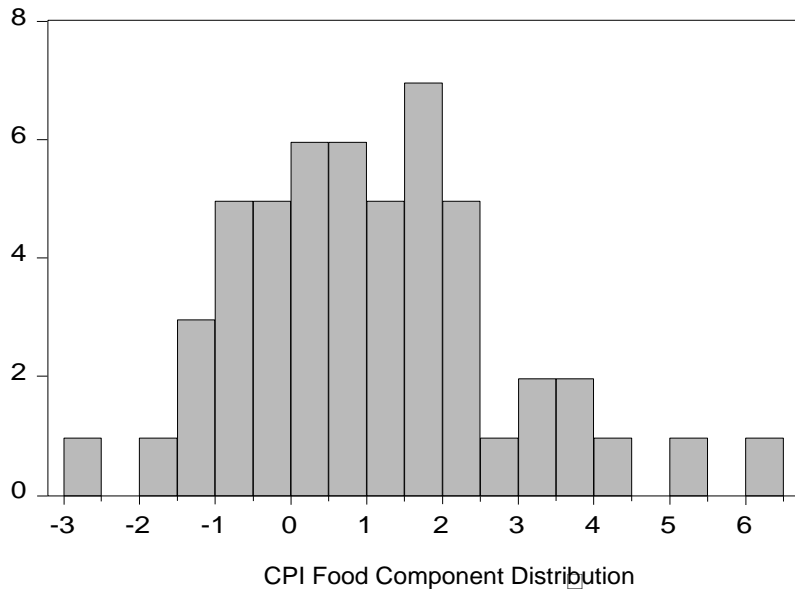
Figure 5i
Poultry



Series: POULTRY
 Sample 1984:2 1997:1
 Observations 52

| | |
|-------------|-----------|
| Mean | 0.762058 |
| Median | 0.518500 |
| Maximum | 14.46000 |
| Minimum | -5.511000 |
| Std. Dev. | 3.301617 |
| Skewness | 2.307493 |
| Kurtosis | 10.56023 |
| Jarque-Bera | 169.9862 |
| Probability | 0.000000 |

Figure 5j
Fish & Seafood

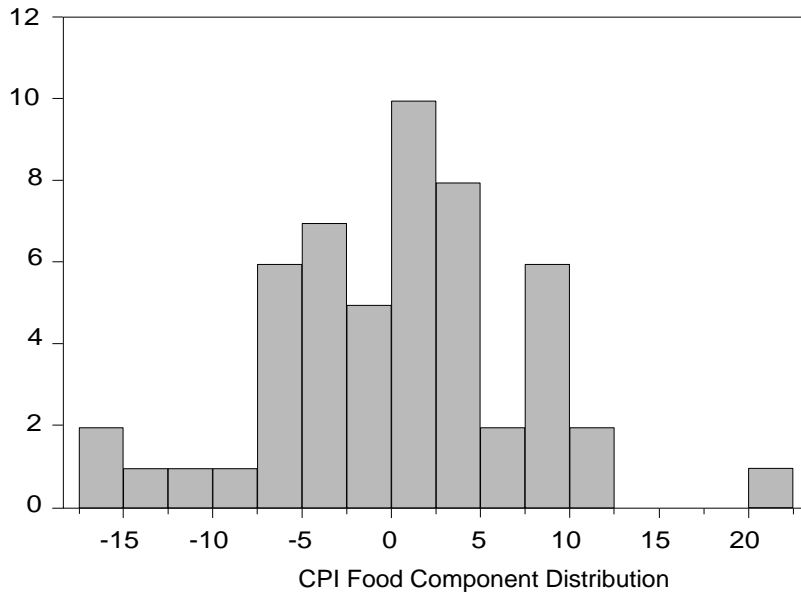


Series: FISH
 Sample 1984:2 1997:1
 Observations 52

| | |
|-------------|-----------|
| Mean | 1.085731 |
| Median | 0.987500 |
| Maximum | 6.358000 |
| Minimum | -2.882000 |
| Std. Dev. | 1.790293 |
| Skewness | 0.551761 |
| Kurtosis | 3.515666 |
| Jarque-Bera | 3.214623 |
| Probability | 0.200426 |

Figure 5k

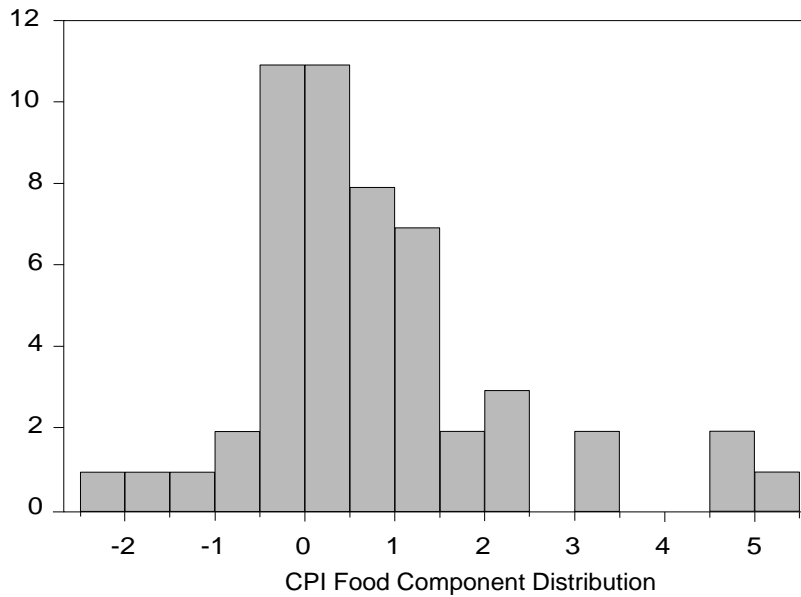
Eggs



| | |
|----------------------|-----------|
| Series: EGGS | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 0.415519 |
| Median | 0.965000 |
| Maximum | 20.71900 |
| Minimum | -17.37700 |
| Std. Dev. | 7.266350 |
| Skewness | -0.045068 |
| Kurtosis | 3.445400 |
| Jarque-Bera | 0.447428 |
| Probability | 0.799544 |

Figure 5l

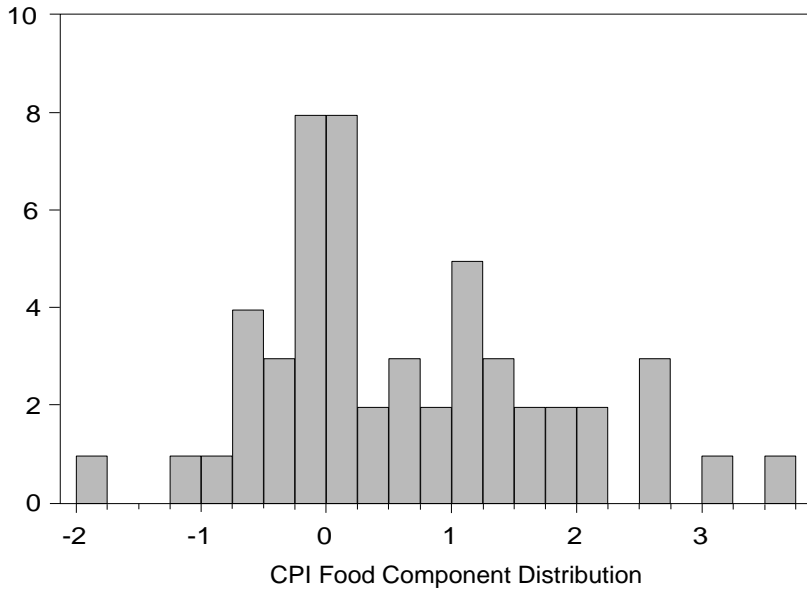
Dairy Products



| | |
|----------------------|-----------|
| Series: DAIRY | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 0.744615 |
| Median | 0.461000 |
| Maximum | 5.066000 |
| Minimum | -2.113000 |
| Std. Dev. | 1.452841 |
| Skewness | 1.157293 |
| Kurtosis | 4.722606 |
| Jarque-Bera | 18.03680 |
| Probability | 0.000121 |

Figure 5m

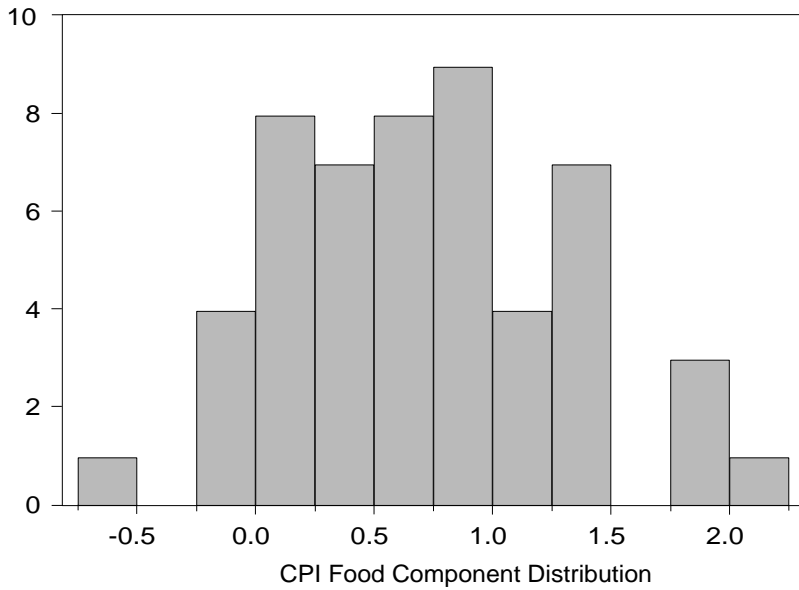
Fats & Oils



| | |
|----------------------|-----------|
| Series: FATSOILS | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 0.618154 |
| Median | 0.258500 |
| Maximum | 3.667000 |
| Minimum | -1.821000 |
| Std. Dev. | 1.165507 |
| Skewness | 0.549430 |
| Kurtosis | 2.887033 |
| Jarque-Bera | 2.643888 |
| Probability | 0.266617 |

Figure 5n

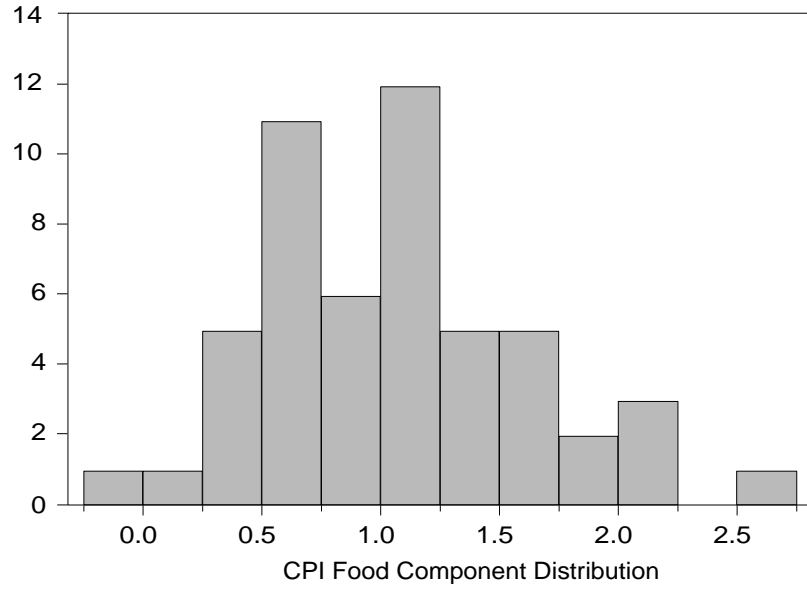
Sugar & Sweets



| | |
|----------------------|-----------|
| Series: SUGAR | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 0.718442 |
| Median | 0.693500 |
| Maximum | 2.235000 |
| Minimum | -0.673000 |
| Std. Dev. | 0.616294 |
| Skewness | 0.232404 |
| Kurtosis | 2.748751 |
| Jarque-Bera | 0.604874 |
| Probability | 0.739015 |

Figure 5o

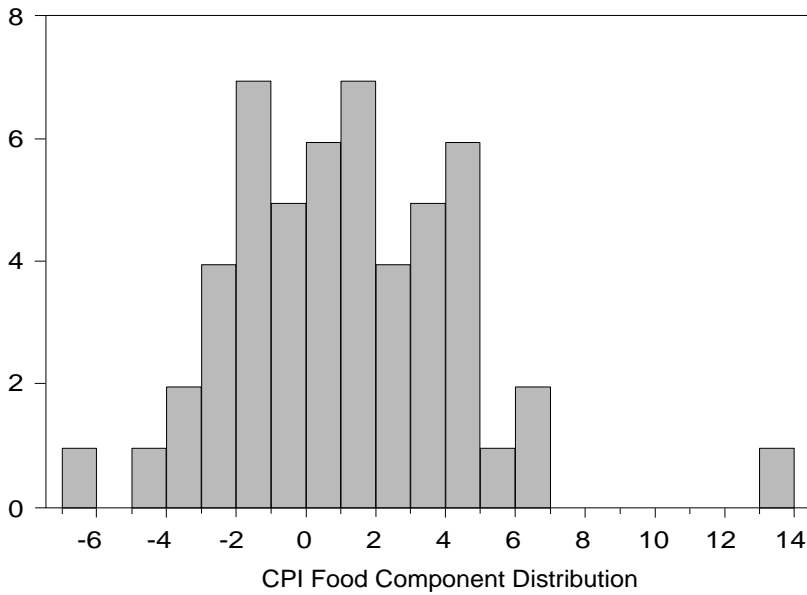
Cereals & Bakery Products



| | |
|------------------------|-----------|
| Series: CEREALS | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 1.057308 |
| Median | 1.098000 |
| Maximum | 2.743000 |
| Minimum | -0.182000 |
| Std. Dev. | 0.577360 |
| Skewness | 0.544040 |
| Kurtosis | 3.324785 |
| Jarque-Bera | 2.793705 |
| Probability | 0.247374 |

Figure 5p

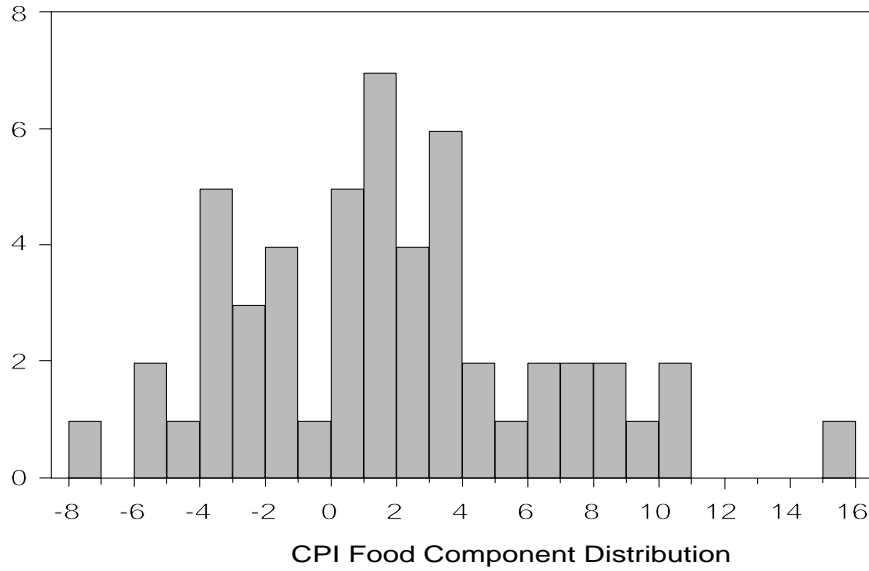
Fruits & Vegetables



| | |
|-------------------------|-----------|
| Series: FRUITVEG | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 1.164673 |
| Median | 1.072000 |
| Maximum | 13.12000 |
| Minimum | -6.878000 |
| Std. Dev. | 3.381909 |
| Skewness | 0.634926 |
| Kurtosis | 4.719961 |
| Jarque-Bera | 9.903376 |
| Probability | 0.007071 |

Figure 5q

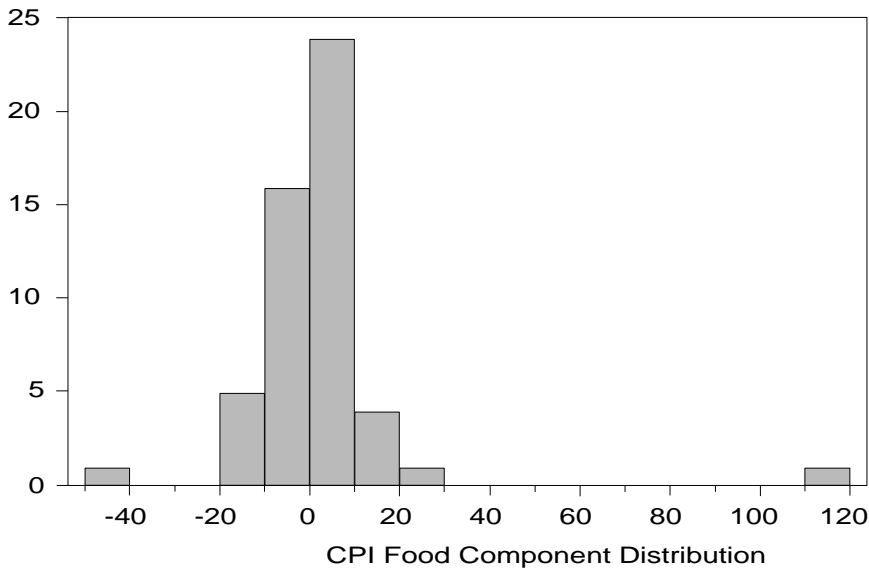
Fresh Fruits



| | |
|-------------------------|-----------|
| Series: FRESHFRU | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 1.865115 |
| Median | 1.534500 |
| Maximum | 15.50500 |
| Minimum | -7.537000 |
| Std. Dev. | 4.723324 |
| Skewness | 0.484739 |
| Kurtosis | 3.121821 |
| Jarque-Bera | 2.068577 |
| Probability | 0.355479 |

Figure 5r

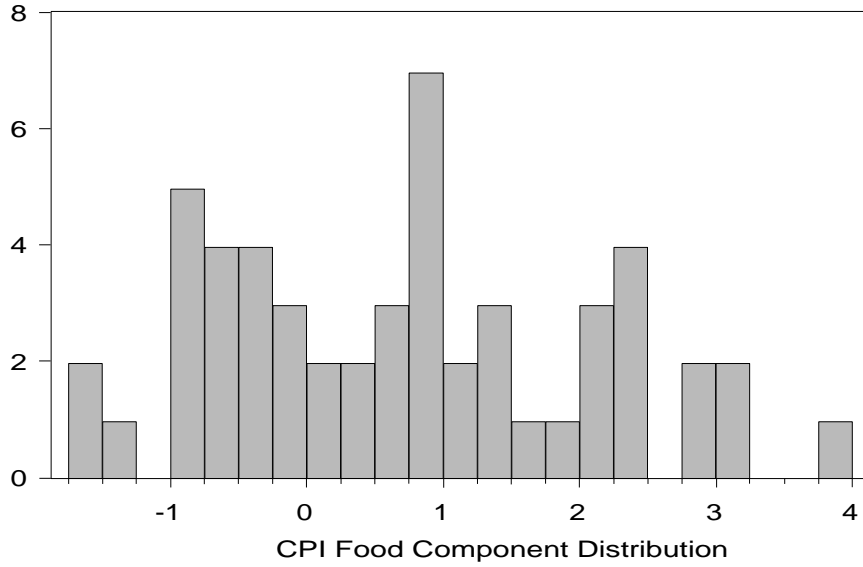
Fresh Vegetables



| | |
|-------------------------|-----------|
| Series: FRESHVEG | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 2.325423 |
| Median | 1.614000 |
| Maximum | 115.3760 |
| Minimum | -48.50200 |
| Std. Dev. | 19.28054 |
| Skewness | 3.604279 |
| Kurtosis | 24.75116 |
| Jarque-Bera | 1137.666 |
| Probability | 0.000000 |

Figure 5s

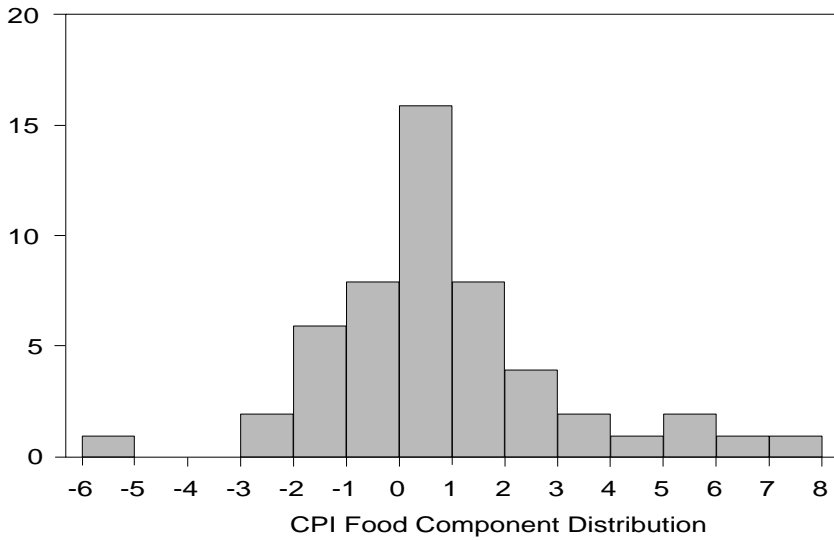
Processed Fruits & Vegetables



| | |
|----------------------|-----------|
| Series: PRFRUITV | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 0.730096 |
| Median | 0.780000 |
| Maximum | 3.960000 |
| Minimum | -1.638000 |
| Std. Dev. | 1.367375 |
| Skewness | 0.308207 |
| Kurtosis | 2.269416 |
| Jarque-Bera | 1.979723 |
| Probability | 0.371628 |

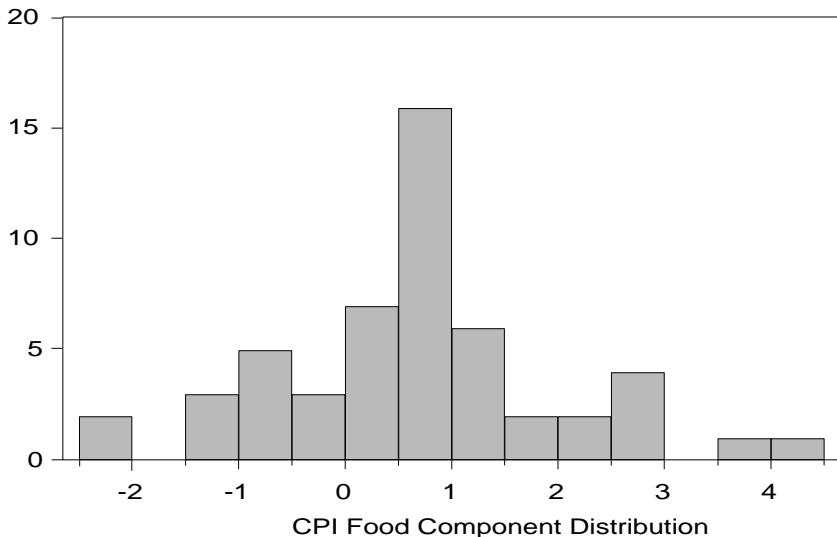
Figure 5t

Processed Fruits



| | |
|----------------------|-----------|
| Series: PRFRUITS | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 0.763865 |
| Median | 0.604500 |
| Maximum | 7.445000 |
| Minimum | -5.256000 |
| Std. Dev. | 2.267095 |
| Skewness | 0.584032 |
| Kurtosis | 4.230070 |
| Jarque-Bera | 6.234466 |
| Probability | 0.044280 |

Figure 5u
Processed Vegetables

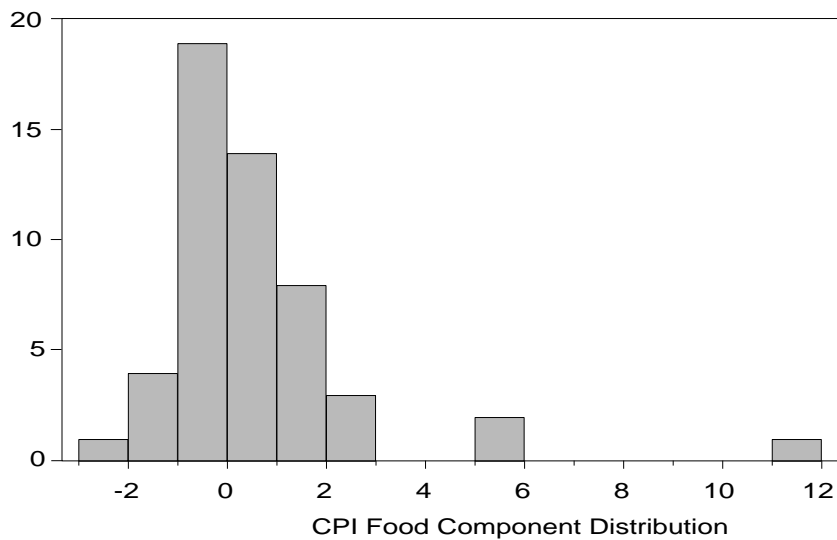


Series: PRVEGS
 Sample 1984:2 1997:1
 Observations 52

Mean 0.715212
 Median 0.663500
 Maximum 4.495000
 Minimum -2.206000
 Std. Dev. 1.342913
 Skewness 0.393190
 Kurtosis 3.638291

Jarque-Bera 2.222588
 Probability 0.329133

Figure 5v
Nonalcoholic Beverages

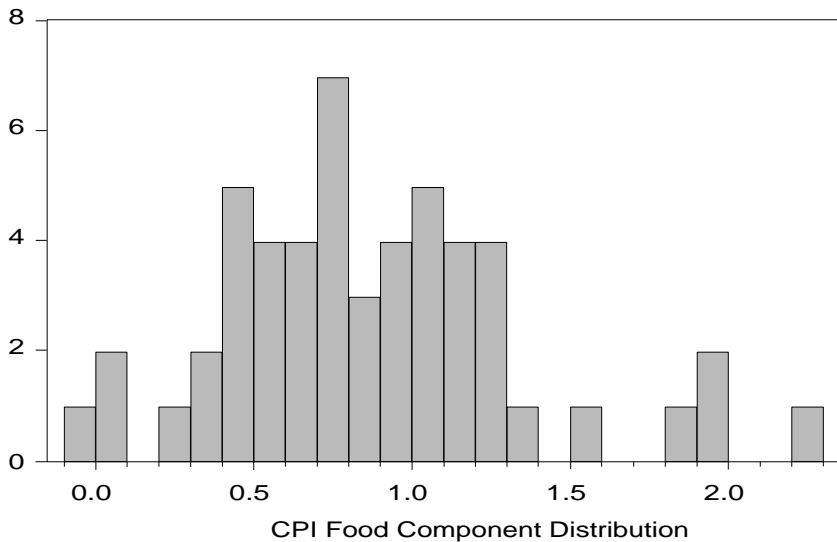


Series: NONALC
 Sample 1984:2 1997:1
 Observations 52

Mean 0.545596
 Median 0.090000
 Maximum 11.33200
 Minimum -2.750000
 Std. Dev. 2.131902
 Skewness 2.930832
 Kurtosis 14.54617

Jarque-Bera 363.2919
 Probability 0.000000

Figure 5w
Other Prepared Foods



| | |
|----------------------|-----------|
| Series: OTHPREP | |
| Sample 1984:2 1997:1 | |
| Observations 52 | |
| Mean | 0.878135 |
| Median | 0.797500 |
| Maximum | 2.246000 |
| Minimum | -0.067000 |
| Std. Dev. | 0.480678 |
| Skewness | 0.654350 |
| Kurtosis | 3.707567 |
| Jarque-Bera | 4.795588 |
| Probability | 0.090918 |

Food CPI Components and ERS One-Quarter-Ahead Forecasts

Figure 6a

All Food

Percentage change

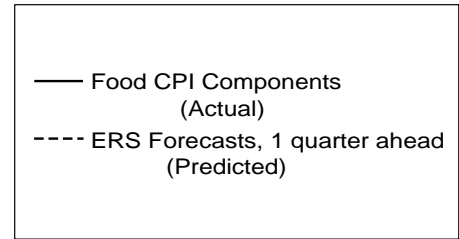
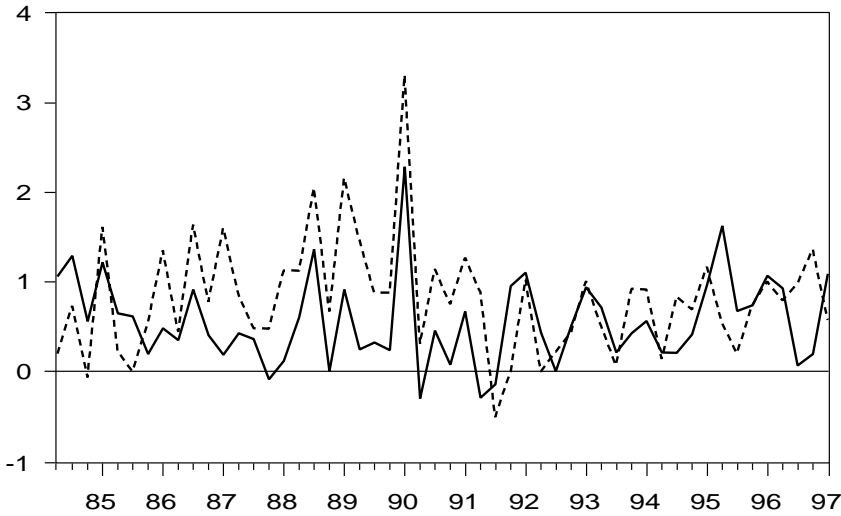


Figure 6b

Food Away from Home

Percentage change

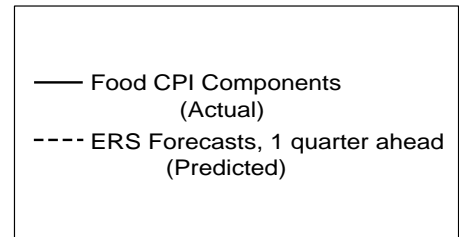
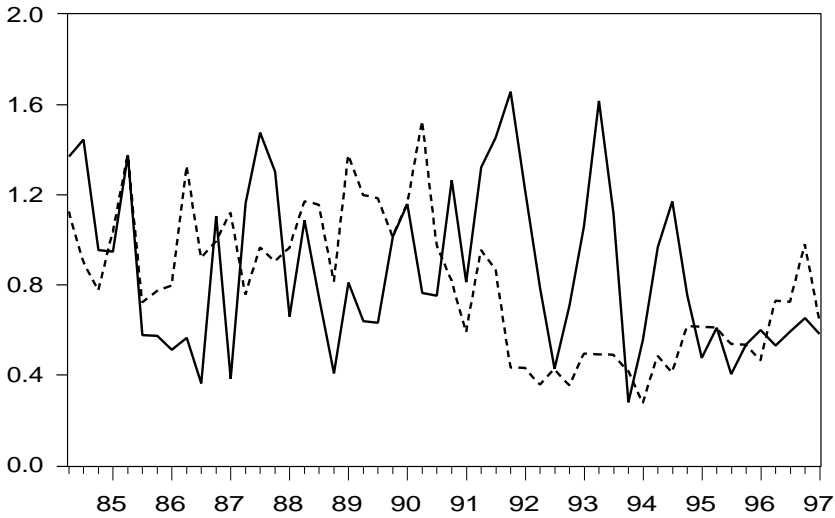


Figure 6c

Food at Home

Percentage change

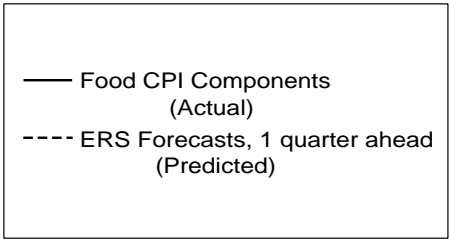
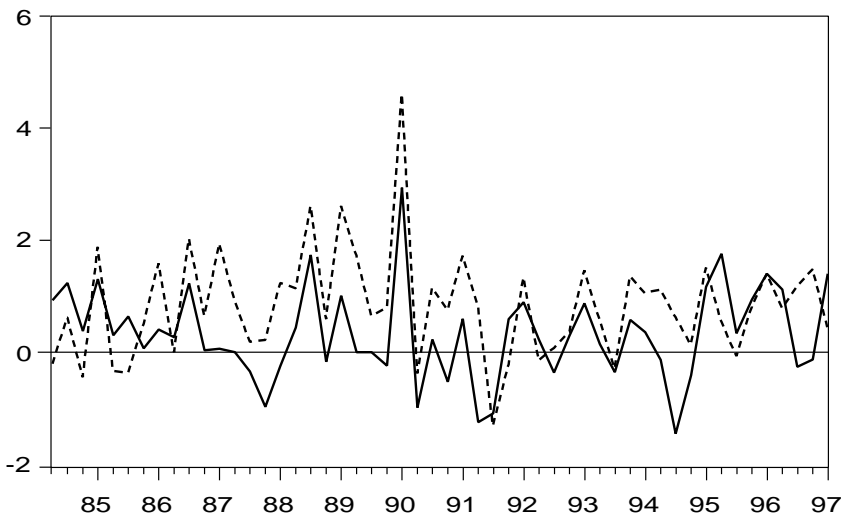


Figure 6d

Meats

Percentage change

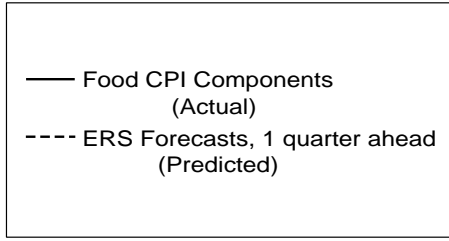
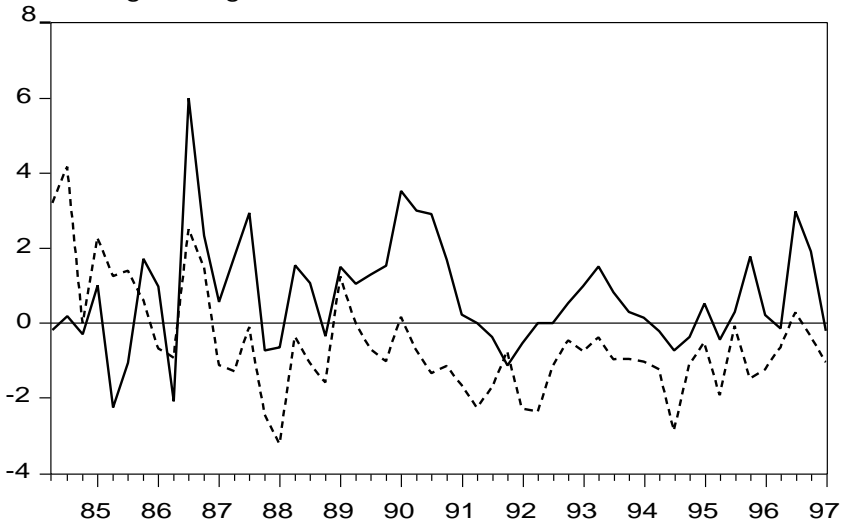


Figure 6e

Meat, Poultry, and Fish

Percentage change

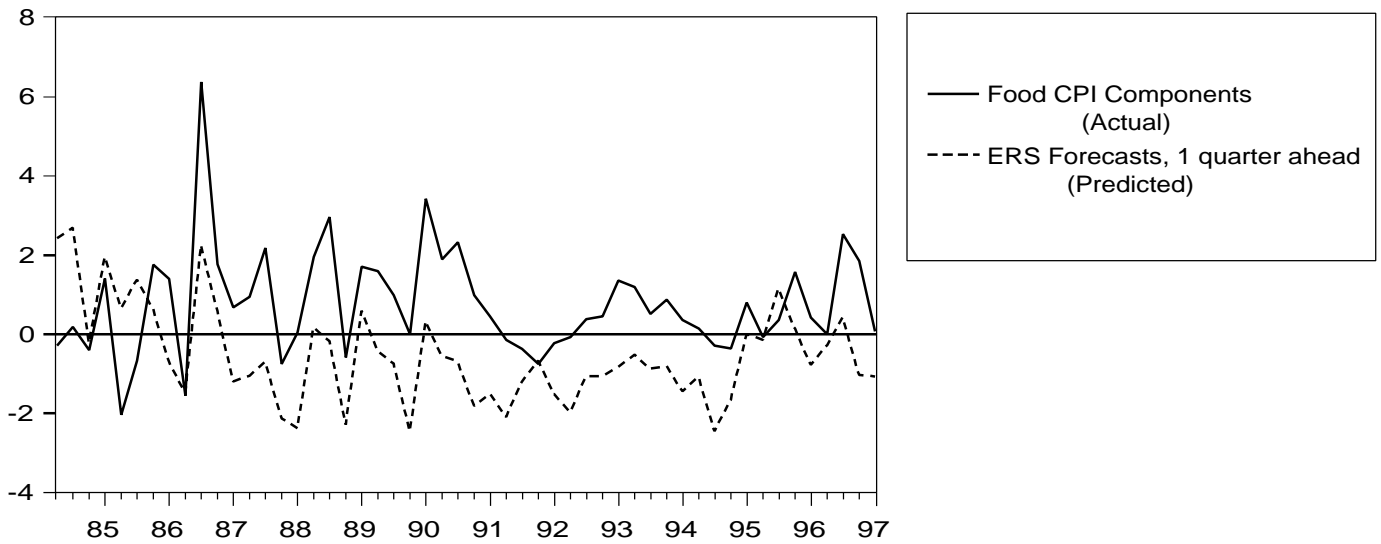


Figure 6f

Beef and veal

Percentage change

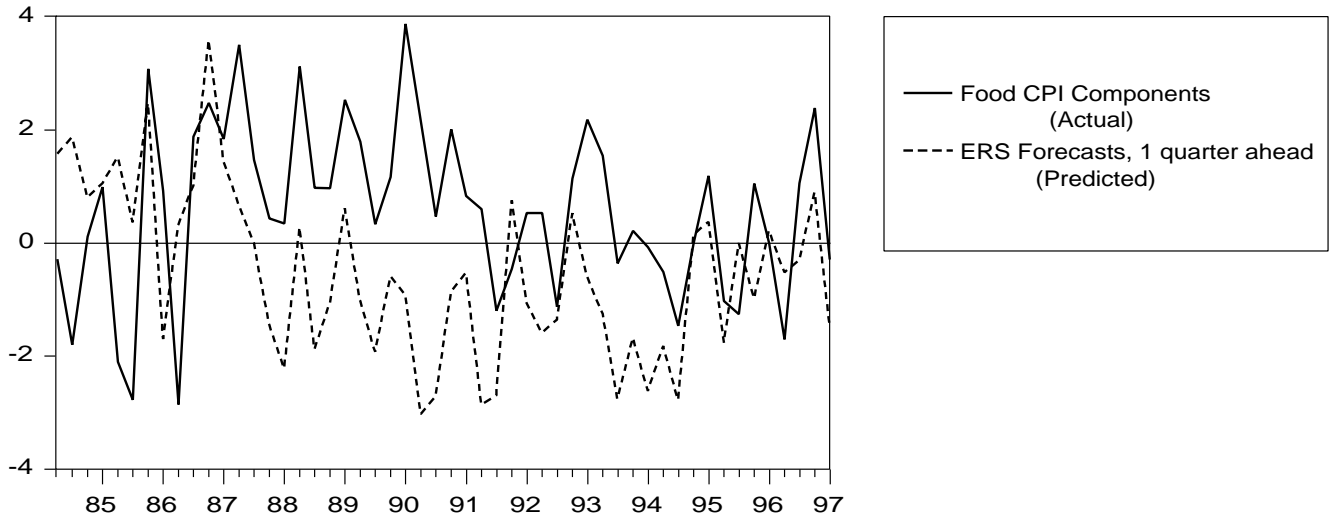


Figure 6g

Pork

Percentage change

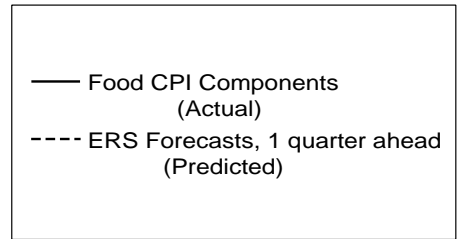
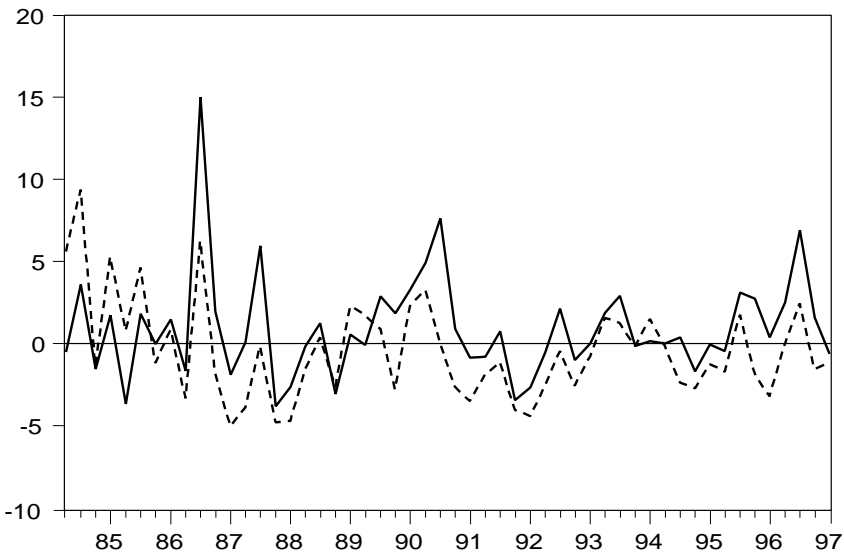


Figure 6h

Other Meats

Percentage change

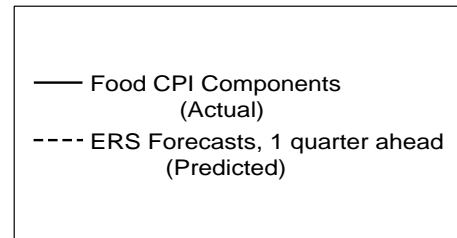
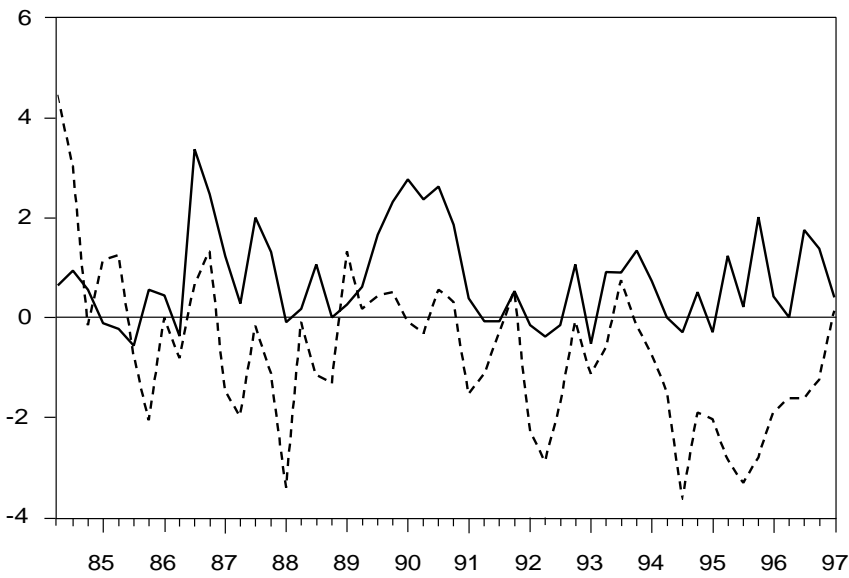


Figure 6i

Poultry

Percentage change

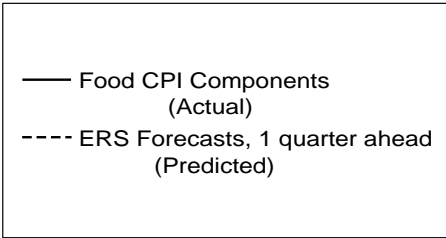
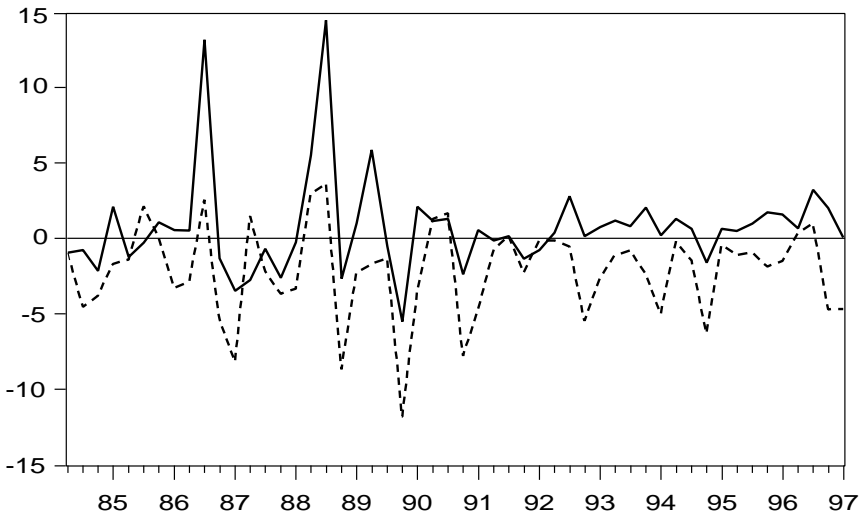


Figure 6j

Fish and Seafood

Percentage change

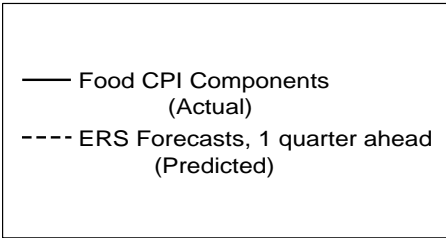
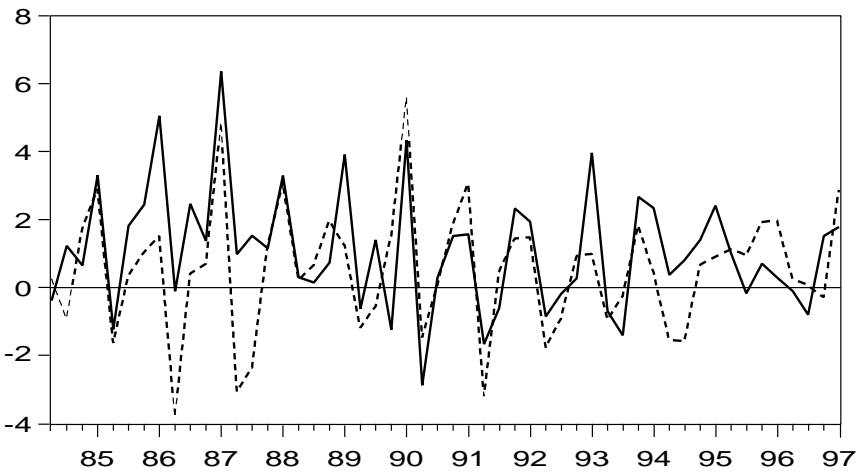


Figure 6k

Eggs

Percentage change

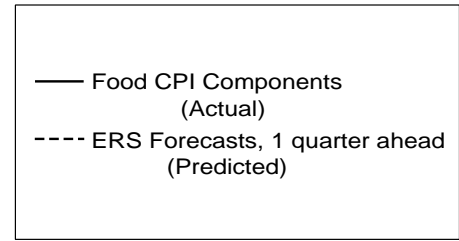
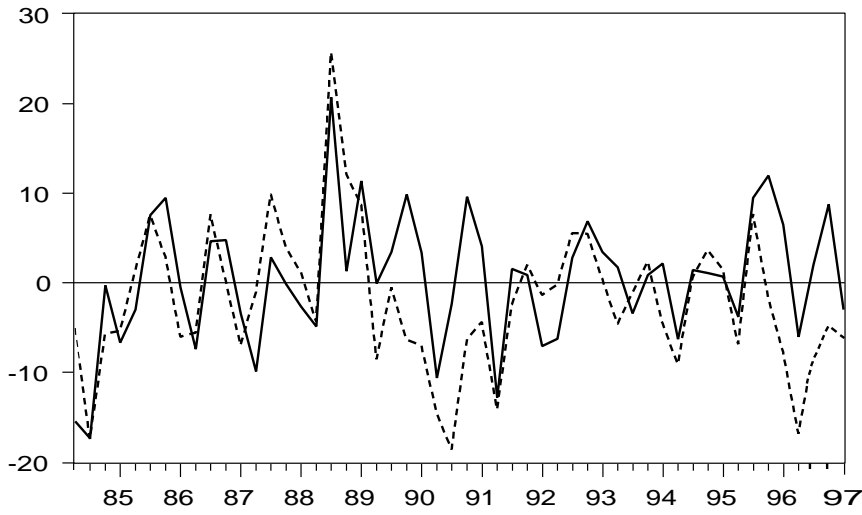


Figure 6l

Dairy Products

Percentage change

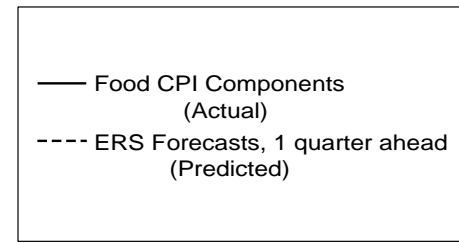
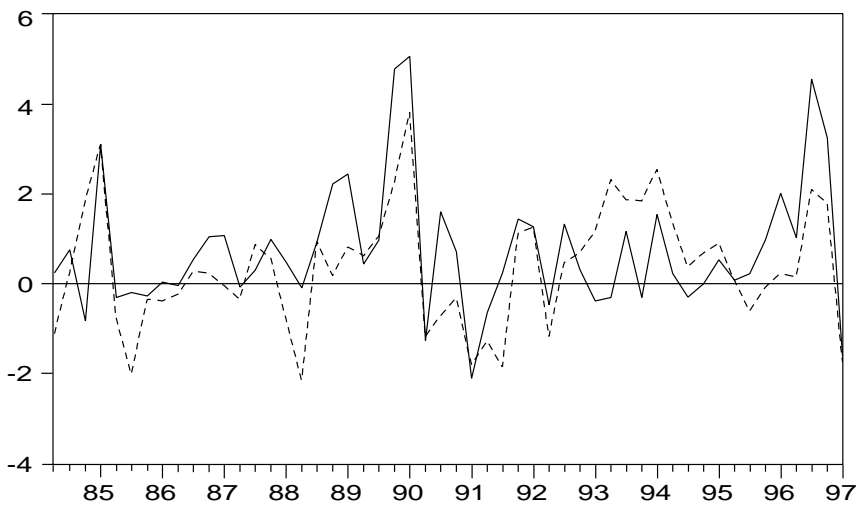


Figure 6m

Fats & Oils

Percentage change

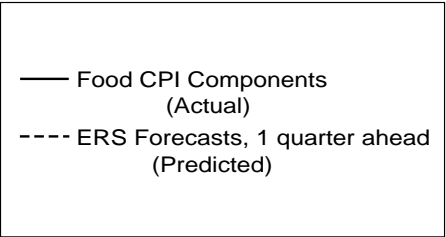
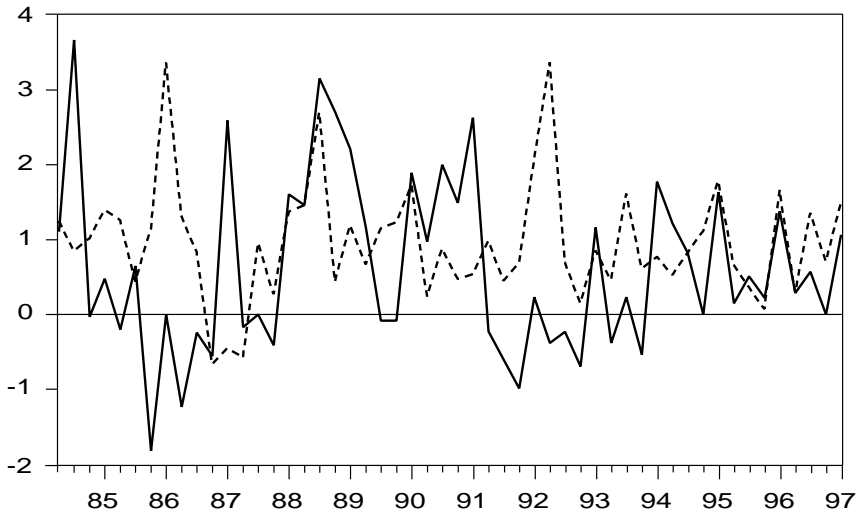


Figure 6n

Sugar & Sweets

Percentage change

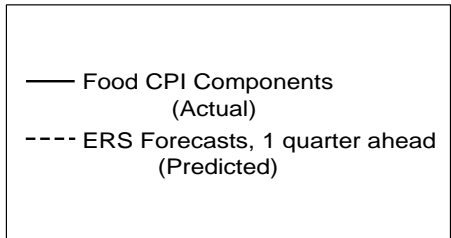
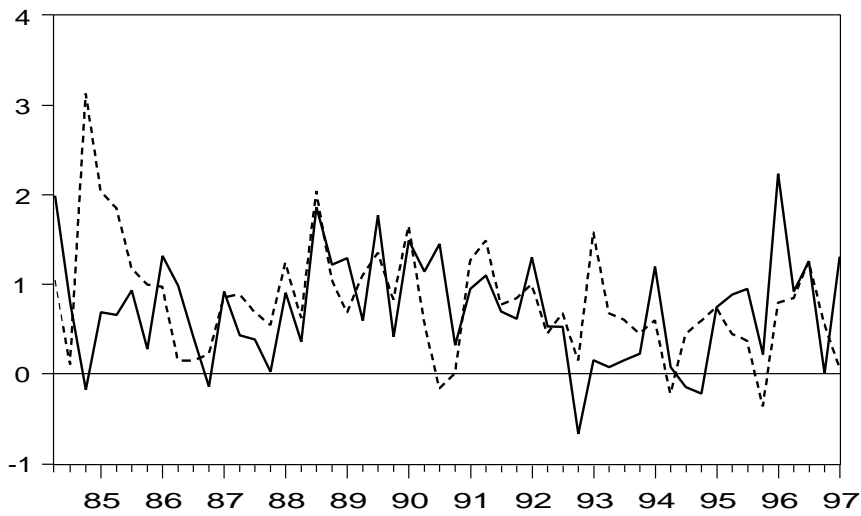


Figure 6o

Cereals & Bakery Products

Percentage change

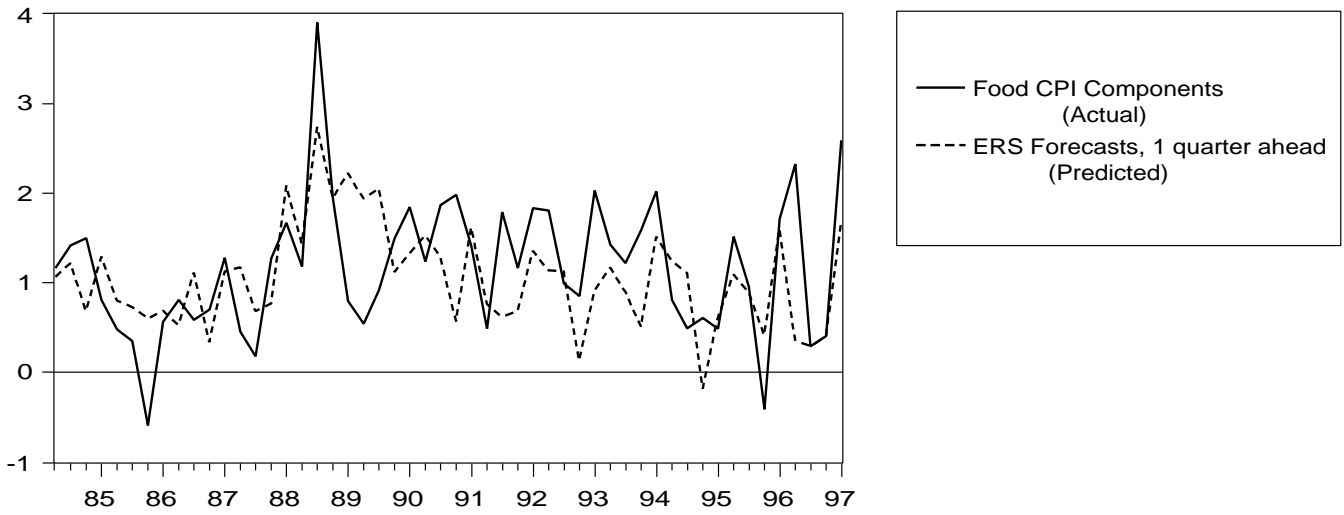


Figure 6p

Fruits and Vegetables

Percentage change

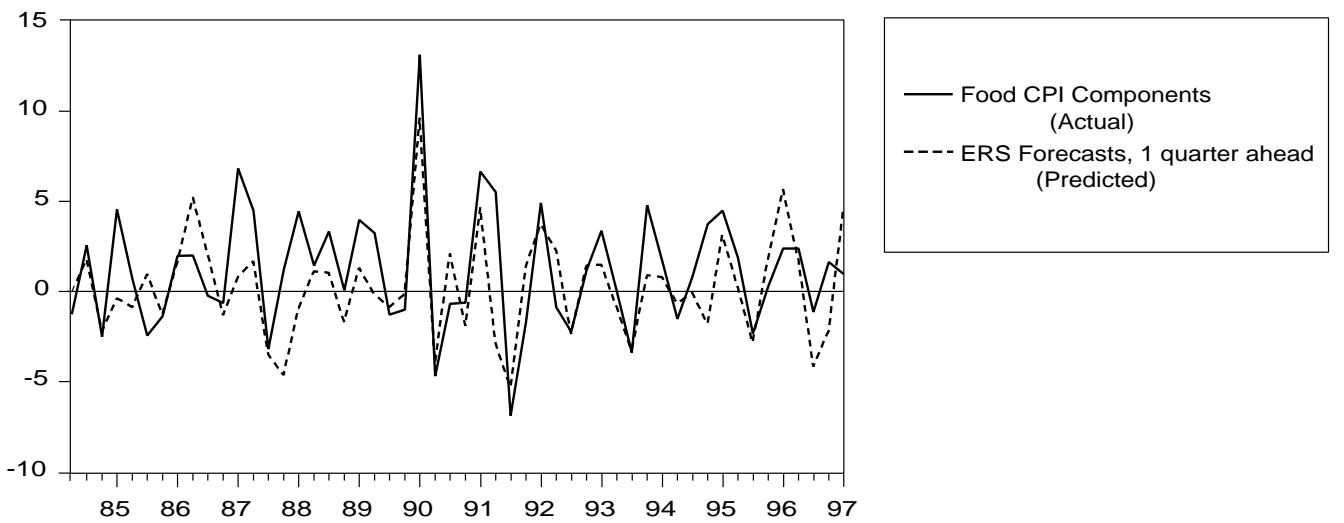


Figure 6q

Fresh Fruits

Percentage change

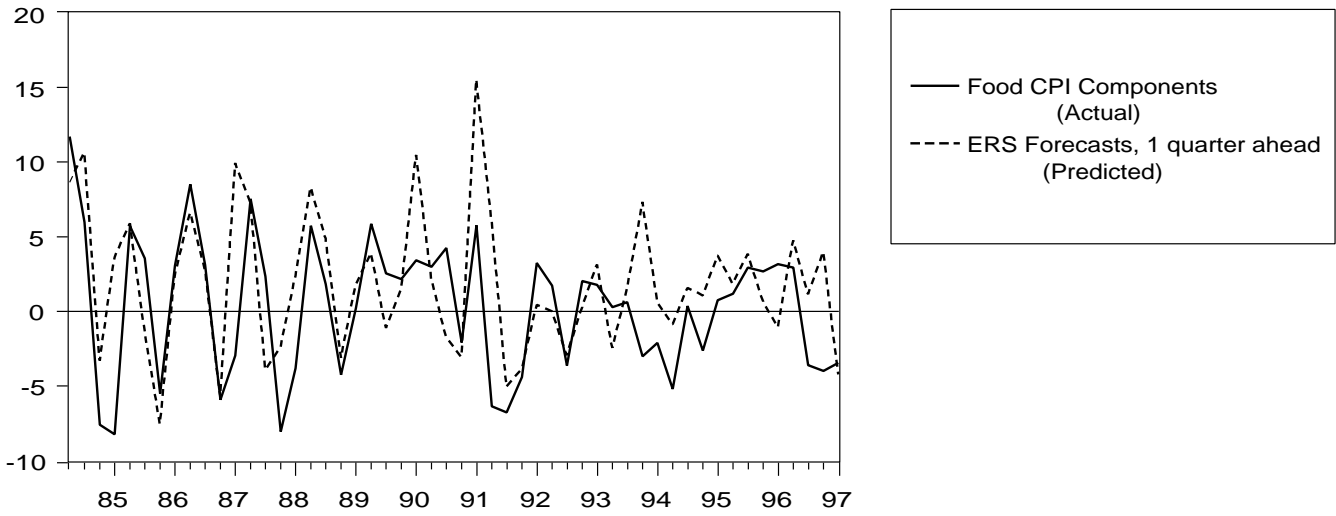


Figure 6r

Fresh Vegetables

Percentage change

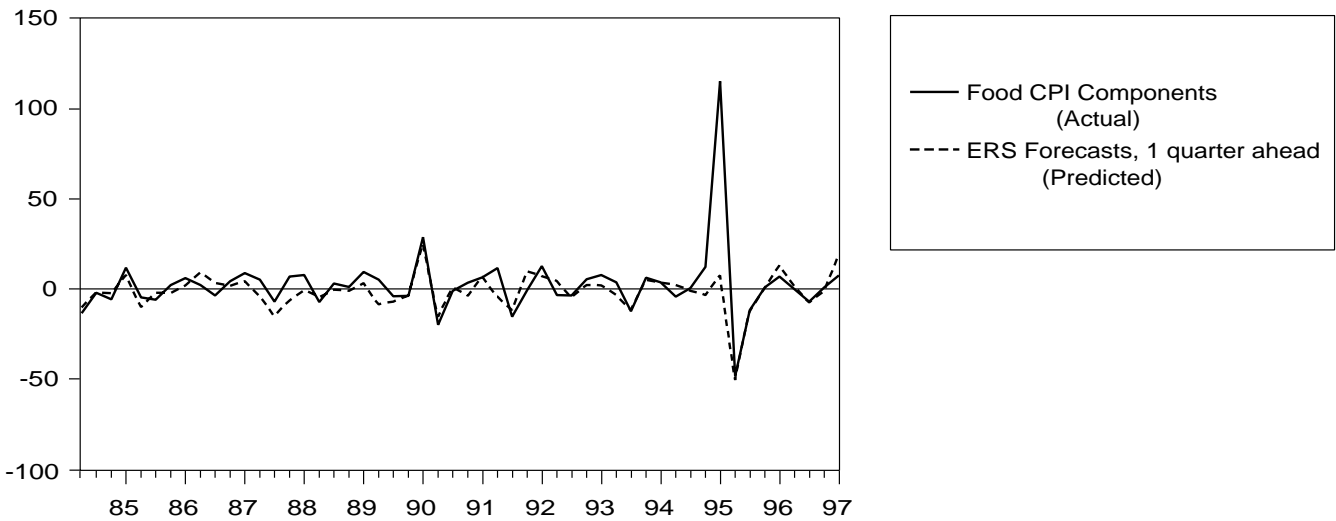


Figure 6s

Processed fruits and Vegetables

Percentage change

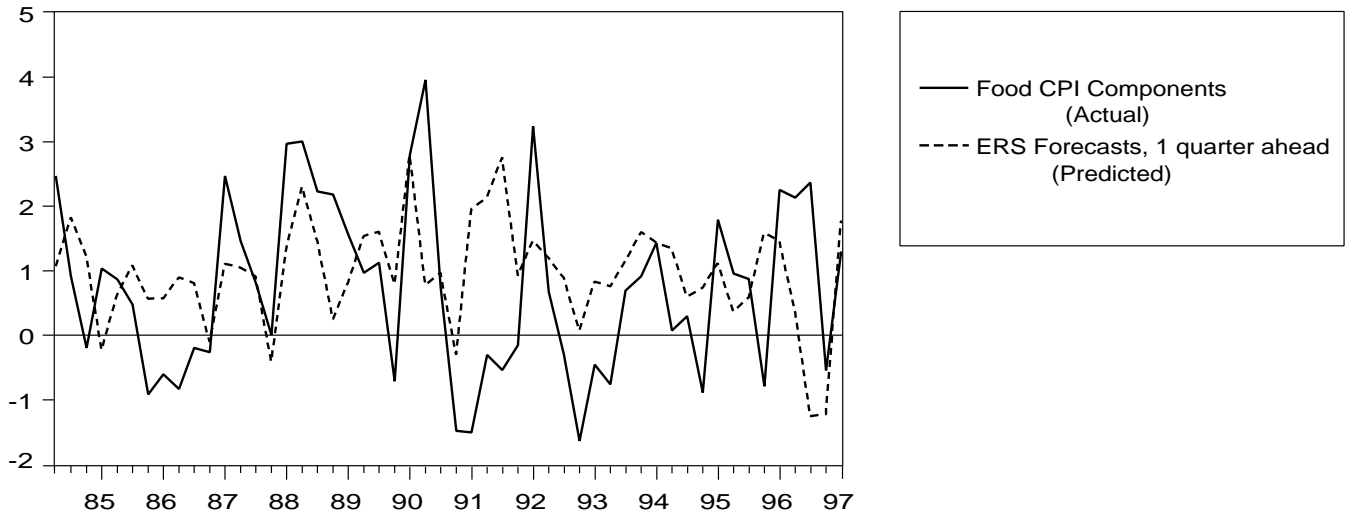


Figure 6t

Processed Fruits

Percentage change

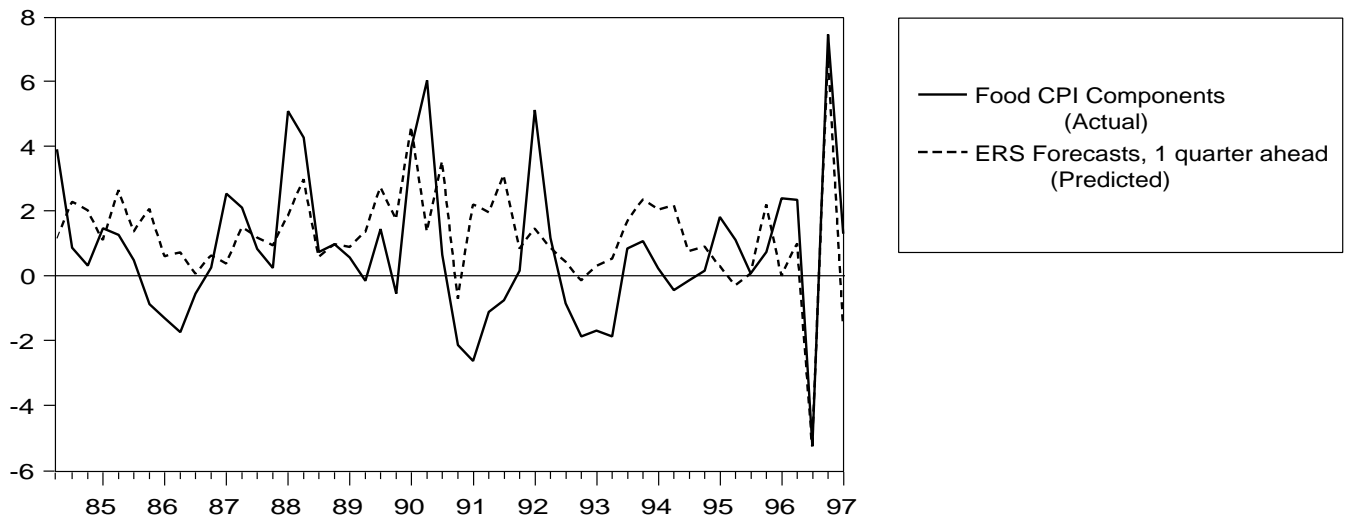


Figure 6u

Processed Vegetables

Percentage change

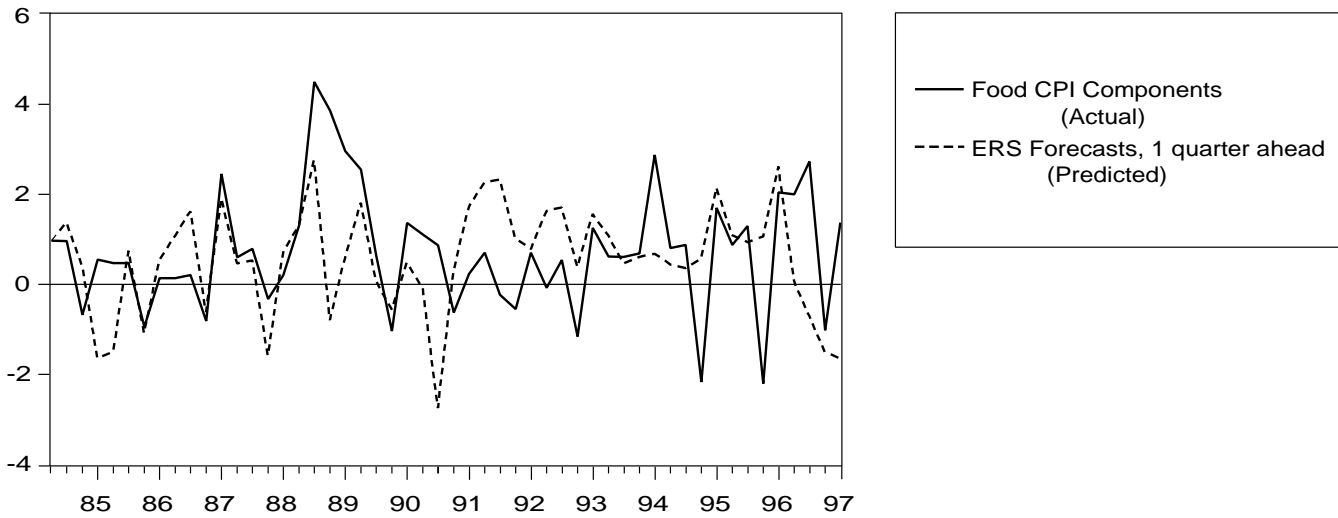


Figure 6v

Nonalcoholic Beverages

Percentage change

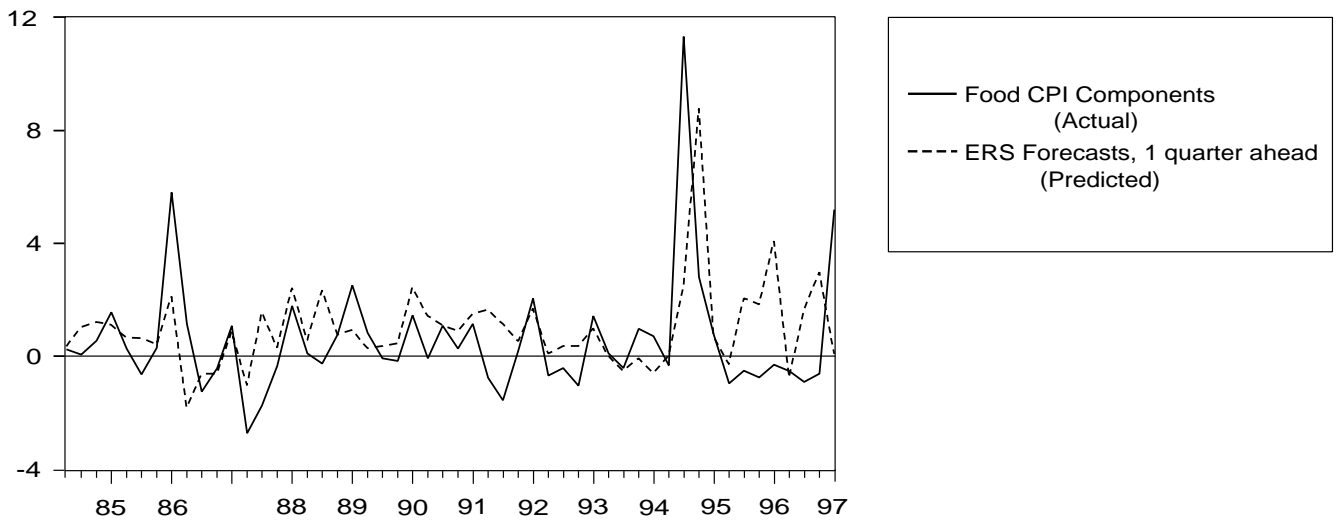


Figure 6w

Other Prepared Foods

Percentage change

